

Board of Agriculture Meeting
June 23, 2005
Reno, Nevada

Board Members Present:

Benny Romero
Deloyd Satterthwaite
Marta Agee
Harvey Barnes
George Botta
David Cassinelli
Dan Hettrick
Jim Johnson
Alan Perazzo
Lawrence Waugh

Board Members Absent:

Susan Ray

Deloyd Satterthwaite, Vice Chairman, called the meeting to order at 8:40 a.m. as Chairman Romero was delayed in traffic. Deloyd Satterthwaite extended his thanks and appreciation to Mark Jensen for hosting the Board meeting.

BOARD BUSINESS

Introduction of Board Members, Guests and New Staff.

Each Board member introduced themselves. Guests included Jason Entsminger, Nevada Future Farmers of America, Karen Grillo, Nevada Association of Counties, Doug Busselman, Executive Director, Nevada Farm Bureau, Mark Jensen, State Director, USDA-APHIS Wildlife Services, Wanda Cox, DoIT, Mike Nolan, Department of Administration, Budget Division, Carolyn Tompkins, USDA, and Frankie Cervantes, USDA. New staff included Richard Modee from the Las Vegas office.

Approval of minutes

The minutes of the last meeting were presented for approval.

Harvey Barnes made a motion to approve the minutes as written. Dave Cassinelli seconded the motion. Motion carried.

Goals and Objectives

Don Henderson explained to the Board that Short-Term Objectives and Long-Term Goals and Objectives are included in the packet for each meeting. Traditionally, the Board

looks at the Goals and Objectives at the December Board meeting and makes adjustments or revisions at that time. The short-term objectives are evaluation points for the Director's evaluations.

Presentation by Wanda Cox, Planning, Policy and Research Division, Department of Information Technology.

Don Henderson advised the Board that over the years the Department has paid an assessment to the Department of Information Technology (DoIT) and had not fully utilized the services available. Wanda Cox from DoIT updated the website with two principal purposes in mind; (1) to make it easier for dial-up customers to download information from the site, (2) to better display the information on the website and enhance the navigation process. Wanda has also done work on the Department's strategic information technology plan.

Wanda made her presentation to the Board via live interaction with the website. Wanda noted that usage of the site has more than tripled since the changes were made.

Photo Session for All Board Members

A recess was called so Board Members could have their pictures taken by Wanda Cox for the Department's website.

Employee of the Year Award

Don Henderson announced that Chuck Moses is the Employee-of-the-Year recipient. Chuck Moses oversees the Department's pesticide program and has been with the Department for eighteen years. Chuck works with the U. S. EPA which is very trying and requires a delicate balance. A good portion of his funding to run his groundwater monitoring program and pesticide oversight program comes from U.S. EPA.

The director advised Board members the Employee-of-the-Quarter and Employee-of-the-Year Awards have been renewed in the biennium budget. He explained the department has four quarterly awards; the first (3) quarters of the year are Employee-of-the-Quarter awards; the last quarter is Employee-of-the-Year award. The recipients of the quarterly awards receive a \$250 stipend the employee can apply to their job in any way they choose; for example, new office furniture, new chair, or an item for their department vehicle. The Employee-of-the-Year recipient receives a \$350 stipend with his/her award.

Director's Report

A. Overview of Department Activities

Don Henderson announced to Board members that Mark Jensen, USDA-Wildlife Services will be hosting the lunch today and a tour of the USDA's new facility would be given to anyone interested.

Don Henderson also announced when the Board meeting adjourns, members should proceed to the Division of Weights and Measures in Sparks for a barbeque. Employees and their families have been invited as well. A tour of the newly remodeled facility will be given.

Don Henderson told Board members that the Department had done a “horse gather” on the Virginia Range the previous week. Dr. Thain had received grant money and was conducting field trials on contraceptives for mares. A previously conducted trial on 40 mares had been promising enough to move to a field trial. In cooperation with the University of Pennsylvania and the University of Nevada, about two hundred horses were gathered which included 80 mares that received the contraceptive vaccine. The mares will be monitored for the effectiveness and longevity of the vaccine.

Don Henderson advised that State Forester Pete Anderson together with the BLM and the Forest Service sent out a notice regarding fuel reduction grazing and suggested that livestock could be used as a part of the solution. Gary McCuin, Agriculturist III, has been working with the Forest Service and the Nevada Division of Forestry. Eight hundred head of sheep were placed in the Mt. Rose area for grazing to promote fuel reduction. Gary worked diligently, lining up producers, contacting the parties involved, and getting permission from the landlords.

The director advised the Department directory has been revised and a copy was distributed to each board member. The director said consideration was made whether or not to place the directory on the Department’s website. He said it is the Department’s plan to have each Board member’s picture on the website with a short biography and contact information on the website.

The director introduced new Department employee Richard Modee, Clark County Weed Control Coordinator in the Las Vegas office. Richard’s position is funded by the Clark County Multiple Species Habitat Conservation Plan. His job is to coordinate weed control activities and planning strategies associated with that plan and all other groups that conduct weed activities with Clark County; as well as representing the Department’s regulatory authority in terms of invasive weed control.

B. Update on results from the 2005 Legislative Session

The director brought the Board’s attention to the summary bill tracking table in their packets. The tracking table was used by the Department during session to track legislation. The director said the Department did very well during this legislative session. All the bills the Department submitted were passed. He said some bills were amended; however, the legislative amendment process made each a better bill.

AB 32 Makes business or proprietary information collected by the Department of Agriculture confidential.

The director explained that unless the legislature designates information as confidential, it is open for public review. The Department went to legislature with a very broad bill that said the director can determine what is confidential or what is not. The bill as written was unsuccessful. The bill was amended and in the amendment process became more specific about what information is confidential. If information is proprietary or of a business nature, financial, or a safety evaluation conducted for Homeland Security, the Department can consider that confidential information. Names and addresses are still open to the public.

AB 105 Makes appropriation to the State Department of Agriculture for replacing old equipment in Division of Measurement Standards.

The director said this appropriation comes out of the Governor's budget. The Division of Weights and Measures did very well this session. This bill is a one-shot bill that gives the Division \$290,000 dollars to replace large equipment.

AB 519 Adds authority to NDOA to revoke program registrations to the Nevada Medical Marijuana Program based on criminal convictions or falsified records.

The director said the existing law did not allow the Department to revoke a registration; only to reject an application for those who did not meet the criteria. A recent decision by the Supreme Court regarding Medical Marijuana states the Federal government can prosecute people who are on a state medical marijuana program. The director further advised that the Department requires participants of the program to sign a waiver that discloses program participants are still susceptible to Federal prosecution.

SB 192 Prohibits entry of live wildlife species (i. e., deer & elk) known to carry Chronic Wasting Disease into the State.

This bill was not amended and passed through the legislature. This bill prohibits elk and deer from being transported into the state for relocation. This is to reduce the risk of potential introduction of Chronic Wasting Disease into wildlife and possibly livestock populations in the state.

SB 295 Adds alternative fuels to existing list of fuels already regulated and tested by the Department of Agriculture. Allows authority for civil penalties and fines to gain compliance and clarifies fuel advertisement requirements.

There was an extensive rewrite of the statutes dealing with petroleum fuels and quality. The Department came up with a definition for alternative fuels and made it clear that the Board of Agriculture can regulate the quality of alternative fuels. The updated bill provided clarification on labeling and signage for fuels, prices, and advertisements and established civil penalties procedures.

Other bills of interest:

AB 181 Provides an exemption for cash transactions from buyer licensing and bonding requirements through Nevada Department of Agriculture (NDOA).

In previous years, the Department had statutes and regulations in place wherein if a buyer was purchasing agricultural products in Nevada and transporting the products out of state for their own use or resale in another state, the person had to obtain a \$40.00 annual buyer's license. Depending upon the product the buyer might be required to also become bonded.

When the Department's Enforcement Unit became functional, John O'Brien together with Jim Connelley began the process of reviewing buyers of other agricultural products to assess how widespread the business was and how many people are actually engaged in this business. One of the problems that arose was that a large amount of Nevada's hay is transported out-of-state by "contracted" truckers and that is the only person the Department can access as the buyer lives out of state. The Department held five informal meetings around the state to address these issues and asked the producers if they thought the statutes needed to be revised. No clear consensus was reached.

Assemblyman Pete Goicoechea introduced the bill and the bill passed as submitted. The statute now provides an exemption for the bonding and licensing requirements for the cash buyer.

AB 407 Requires court hearing concerning certain governmental seizures of livestock.

When we went into session, the Department's position on this bill was that our brand laws are strong brand laws and we didn't want them changed. This bill says if there is a government seizure of livestock, that government agency must have a court decision from the appropriate jurisdiction before the Department can or will issue a brand inspection. This puts the onus back on the federal agency to obtain this judicial review. This legislation met the policies of both the Farm Bureau and the Cattlemen's Association. The BLM was opposed to the legislation based on federal supremacy and sovereignty issues.

AB 413 Makes a \$100,000 appropriation to the Department for weed abatement.

The Director said we have weed abatement laws for landowners who do not take care of their noxious weed issues. In instances where a landowner refuses to control noxious weeds, the Department or county can go in and control the weeds and the county can then place on lien on the owner's property to recover county or state funds. The abatement law has been long standing, but unfortunately neither the Department nor the counties had access to funding. Assemblyman Hettrick from Douglas County appropriated \$100,000 for weed abatement. The Department wants to go through a selection process throughout the state to determine the best situations where this new funding for weed abatement can be applied.

AB 523 Authorizes local health boards to investigate complaints concerning agricultural programs of UCCSN.

Senator Raggio killed the bill on the Senate floor. Bill was sponsored by Assemblywoman Sheila Leslie to obtain inspection and licensing authority over the farms at UNR.

SB 63 Requires every owner of cattle to design, adopt and record brand for his cattle.

Died in the Senate due to lack of industry support.

SB156 Provides for establishment of a agronomy, horticulture, landscape and design degree program within the UCCSN.

This bill establishes a 4-year horticultural/landscape program, a joint program between UNR and UNLV. This legislation was amended and approved resulting in a letter from legislature requesting the Board of Regents establish such a program. Vice-Chair Satterthwaite commented that it will be next session before any such program could be funded and Director Henderson confirmed.

AB 347 Provides sales tax exemption for the sale of farm machinery and equipment sold in Nevada.

The bill died, but was included on a year-end bill which allows for this issue to be placed as a question at the next general state election.

AB 331 A concurrent resolution creating an interim study of groundwater management issues involving rural areas.

Senator Rhoads brought the bill forward. This bill allowed for an interim study of groundwater resources in the rural areas.

SB 62 Makes various changes concerning provisions governing water.

Two million dollars was appropriated to the Water Engineer's Office for additional staff and to update computer programs so applications can be processed more quickly. Another \$100,000 was appropriated as grant funding to assist rural counties with water planning. Out of twelve water bills submitted this session, these are the only two that passed.

SB 165 Specifies permissible uses by the State Department of Agriculture of certain fees and other money.

The director said this bill will make the Division of Weights and Measures a fee based agency. Petroleum inspection fees and assessments placed on petroleum that is brought into the state were originally set up for the Division of Weights and Measures and pulled away in the '80's and given to the general fund which made Weights and Measures a general fund agency. Under this arrangement, the Department had to go to the legislature to access this funding. Of the \$637,000 dollars generated yearly, we received about \$250,000 and legislature would keep the other \$387,000. The department must use all of our fee money or it reverts back to the general fund; therefore, Weights and Measures could never build a reserve for equipment replacement. The department would have to go to legislature and ask for one-shots to replace equipment.

The Department approached the Governor to put this in the budget, but he said no. The Governor would not support any bill that resulted in any increase in fees, taxes, or revenues; he suggested that industry bring this forward. So Peter Krueger and the Nevada Marketing Association worked with Senator Rhoads. It went through the Senate early in May and through Peter Krueger's hard work got the bill through the Assembly at the last hour of session.

The Department is excited about this; not only did Steve get a lot of one-shot funding for equipment, but in the next biennium, 2007, the department will access fees and start planning and establish a reserve for equipment replacement.

SB 293 Amends statutes to allow the use of annual pesticide registration fee for purposes of weed control.

The director said this bill came from Senator Dean Rhoads, Public Lands Committee. This will be an action item for the board later in the meeting.

The department collects a \$60.00 pesticide registration fee for all pesticide products sold in the state which funds our pesticide testing and oversight programs. What this legislation did originally was take \$20.00 out of the \$60.00 fee and direct it to weed control and eradication. This bill was not looked upon favorably by the Governor under the position he took this session of no new fees or increases. The bill was amended; the \$20.00 was eliminated and additional wording added to the statute that will allow the department to access the pesticide registration fee for weed control. There is a proposal to go to workshop and hearing to consider a potential increase in the annual pesticide registration fee.

SB 380 Makes various changes relating to the Nevada Commission on Homeland Security.

This bill did pass, but did not add agriculture representation to the commission, however, non-commission members can serve on subcommittees.

AB 577 Unclassified state employee salary bill.

Legislature establishes salaries for unclassified employees and the Governor made an attempt to put some structure to this process. The Department of Personnel has been working on a study for four years which the Governor included the results of in his budget. It establishes different salary levels for unclassified employees based upon the size of the agency. The Department of Agriculture falls into a small state agency category.

There were inequities in the Department; for example, the administrator of livestock inspection was paid less than the Department's other administrators. Our administrators are now going to receive \$72,000 which is a significant increase for both the Brand Administrator and the Weights and Measures Administrator. Under the provisions of this new structure, if you are now paid at a higher rate that exceeds the new salary cap, you are grandfathered in and retain your current salary.

There was an increase for both the director and deputy directory which makes us comparable to similar sized state agencies.

The director said one thing the new structure did that the Department was not aware of until midway through the session was that it put any employee on the medical pay schedule in an unclassified status which included all our veterinarians. Dr. Anette Rink, Dr. Keith Forbes, Dr. Dan Lowell and Dr. Ron Anderson will still receive the salary they were paid before the changes, but will be moved to an unclassified status. They have the option to remain in a classified status or go to an unclassified status. However, when the position is vacated it will become an unclassified position permanently.

We were successful in our Capital Improvement projects. The Governor's budget included \$2.5 million for the Department of Agriculture's purchase of an existing building on North Idaho Street in Elko which will be retrofitted to meet our needs. The contract purchase price was \$625,000; the rest of the monies will go to the retrofit.

The Governor's budget also included \$1.3 million for the Department's new state headquarters in Sparks. Our hope is to have construction plans and documents at the next biennium budget.

The Director asked Chairman Romero and other members of the Board if they had any requests for presentations they would like done at future Board meetings. Two previous presentations that were done last summer in Elko did not go well; one on dyed fuels and another about hay and fuel requirements. At that time, the Board said these topics need to be revisited. The Director said that part of the problem is getting the right people in the room to talk to the Board about these issues. He further stated that these topics would require that the next meeting be held in western Nevada as it would be unlikely that needed representatives would want to travel to Elko.

Chairman Romero commented that he thought both issues, dyed fuel and hay storage, are critical to the industry and the Board should have additional presentations. It was then decided to have further presentations made at the next Board meeting.

C. Update on Department's Natural Resource Program

Gary McCuin began his presentation by commenting that progress in being made on the update of the Nevada Range Monitoring Handbook. The next meeting is scheduled for September and the final draft should be ready at that time.

Gary said that an offshoot of the handbook has been a request for a cooperative monitoring approach from the northeast Resource Advisory Council (RAC). Gary said what this would do is merge the Public Lands Council Memorandum of Understanding (MOU) on monitoring with BLM and the Nevada Range Monitoring Handbook into one process providing a mechanism for producers to increase monitoring and management activity and increase collection and analysis of data.

Gary said the Forest Service is continuing with their recision schedule. They are struggling through the Martin Basin Environmental Impact Study (EIS). The final EIS should be out now. Gary said he didn't know if we've been truly successful because the Bridgeport Scoping document that recently came out had the exact same language that was in the Martin Basin EIS.

Marta Agee questioned Gary regarding "grazing projects" that are being canceled and wanted to know why. She referred to a report that appeared in a recent industry publication and counted at least 20 rangeland improvement projects that were canceled. She didn't know who, but suggested someone should be following up why these grazing projects are being cancelled.

Harvey Barnes responded by saying that the Forest Service has taken a pretty good budgetary hit. The BLM and Forest Service focus right now is on recreation and because of those two things, limited budget and change of focus, other things are getting canceled. Don Henderson suggested the information be sent to Gary McCuin for follow-up. He said that just as Gary has alluded to, the whole recision process by the Forest Service, indicates the Forest Service is going district by district evaluating the grazing program that supports the results in new Allotment Management Plans (AMPs).

Gary said a meeting was held about the Martin Basin Project on June 8, 2005 at the Stonehouse Inn with the National Riparian Service Team. A presentation was given about the Creeks and Communities process which is a collaborative process to get agencies, permittees, other affected interests, and environmentalists together to talk about what is happening on the ground and to move forward. Gary said the attendance was good. The US Fish and Wildlife Service was present which to Gary's knowledge was a precedent. Both the district office of the Forest Service and BLM were receptive. Dave Cassinelli commented that people are pleased and thanked Gary for all the work he has done.

Board Chairman Benny Romero commented to Gary that he is seeing an increase in proposals for more and more wilderness; proposals by the BLM and the Forest Service and he is very concerned.

Gary responded that he didn't believe that it was necessarily the Forest Service or BLM looking for additional wilderness. The Forest Service and BLM have been asked for their recommendations by our congressional delegation while the delegation is going through county land plans. Gary continued that they have done a Lincoln county land plan and most of the people in that area are satisfied. They are also conducting public scoping in Pershing, Churchill, Humboldt and Lyon Counties.

Don Henderson commented that from the Nevada perspective, both at the executive and legislative level, they have joined in the county by county approach. He commented that to a certain extent, it does make sense. The Director advised that interested parties should get with their County Commissioners. The County Commissioners are the levers in this process with the congressional delegation. The affected industries and public need to make sure that the involved County Commissioners understand the situation. We've been successful through the Lincoln County and the Clark County plans in getting clarification language to allow access for invasive weed control, livestock grazing, and wildlife management.

The Director said with respect to closing allotments due to wilderness, all a person has to do is go to the law. It is prohibited; status quo is maintained until it is shown that grazing is not in keeping with management of the wilderness.

Marta Agee asked the Board members if they had ever discussed the Public Land Institute which is based in Las Vegas through the University of Nevada – Las Vegas. The Institute has \$10 million dollars at their disposal and is continuing to increase their staff. One of their missions is to teach recreation on Nevada's public lands. Marta said she is concerned that they are not teaching multiple use concepts and that presents a big problem on the horizon and strongly urged the Board to get input to them. The Institute is tasked with coordinating their efforts with the Forest Service, Fish and Wildlife, Park Service and BLM.

Gary McCuin said that we do need to respond; the Range Resource Commission and the Department should get involved. Gary suggested that maybe the reason the Institute hasn't looked at multiple use is because the it is based in Clark County and there is no grazing there, but that doesn't mean we can't make them well aware of what goes on in the rest of the state.

Gary continued his presentation and talked about the fuel reduction project underway in the Mount Rose Highway area. Gary said we are going to start monitoring that project in the next couple of weeks. The Forest Service and Nevada Division of Forestry like the project. We are going to start looking at continuing the project next year. Our limiting

factor is in finding sheep. We do not have that many sheep operators and not everyone wants to go to the management level that is required.

Gary said the new proposed BLM grazing regulations are out. Gary distributed a question and answer sheet concerning these new BLM regulations to everyone. He said regulations appear to be okay, but there are still some problems.

2. Review and consideration of adoption of new board policies on resource stewardship and suspended grazing use.

Gary said we have two policies to consider and they are as follows:

Policy 2) Resource Stewardship

The policy says the Department is in favor of good sound ecological management use of scientific methods and monitoring that provides us a basis to go forward on a number of issues.

Policy 3) Suspended AUM's/Closed Allotments.

This policy says the Board formally recognizes that AUMs are on both BLM and U. S. Forest Service allotments. This policy says the Department of Agriculture wants the regulations to be followed and wants BLM and Forest Service to recognize suspended AUMs and reactivate closed allotments.

Harvey Barnes moved that the Board adopt Policy # 2 in regards to resource stewardship and Policy #3 regarding suspended AUMs and closed allotments. Motion seconded by Deloyd Satterthwaite.

Gary McCuin asked for clarification whether the format used for presentation of policies was acceptable to the Board? He asked if this format should be included in the motion to go forward with the policies?

Chairman Romero said the motion was made by Harvey Barnes. Chairman asked Harvey after the discussion with Gary regarding policy format, would he like to amend his motion? Harvey said he was fine with including the policy format with the original motion.

Deloyd Satterthwaite seconded the motion and accepted the policy format being included in motion.

Chairman proceeded to vote to accept Policy 2 and Policy 3 with the format as presented by Gary McCuin.

Vote taken and motion carried.

DIVISION OF ADMINISTRATION

A. Introduction of new accounting staff members; Wes Bills, Management Analyst I and Linda Mowatt, Accounting Assistant I.

Rick Gimlin, Deputy Director, introduced two new Department employees, Linda Mowatt and Wes Bills. Wes is a Management Analyst I and filling the Grants Reporting position. Linda is an Accounting Assistant I and taking over the duties of the accounts receivable position which was vacated by Tisa Whitcomb earlier in the year.

B. Fiscal recap, 2005-2007 budget.

Rick said the budget information just became available and that he didn't have the final details on salary costs.

Rick's distributed a handout which included an illustration on how the Department is funded, i. e. general fund, federal funds or other sources; the percentages spent from each source and funding by budget accounts.

Rick advised that the Department converted seasonal positions from full time equivalents (FTE's) to budgeted labor hours, which eliminates seasonal positions from a variety of state allocation plans.

Rick continued with budget highlights:

- Computers were replaced.
- Approval and funding to purchase GSL building in Elko
- Approval and funding for the design of a new Reno Main Office
- Revised pay scales for unclassified staff and 2% cost of living increase in FY 2006 and 4% cost of living in FY 2007. In addition, employees that are currently at a step 9, the highest step an employee could attain, now have an additional step 10.

Administration Division:

- Funding to replace furniture for three positions.
- Created a host fund for the Board to allow the Department to pay for food and beverage expenses for Board meetings expenses that are currently paid for by Board members or staff.
- Based allocation schedule on FTE's (full time employees). This new schedule increases our general fund and indirect cost recovery from federal programs. The new schedule reduces the load on fee based accounts.

Agriculture Enforcement Unit:

- Replacement authority for two vehicles that have over 140,000 miles.

- Expenditure authority for Agriculture Enforcement Unit (AEU) officers and related staff for travel related training.

Division of Plant Industry:

- Replacement of two vehicles with over 120,000 miles.
- SB1 is a one-time appropriation to develop and provide technical assistance to farmers' markets in Nevada.
- Received \$100,000 for weed abatement through AB580. This is a one-shot that does not return to the general fund.

Division of Animal Industry:

- Received funding for the shared usage of large animal necropsy facility operated by UNR.
- Funding for replacement and new lab equipment.

Division of Measurement Standards:

- Funding for replacement of outdated, non-repairable and inoperable lab and measuring equipment.
- Via AB105 a one shot funding of \$290,000 to replace (1) heavy duty truck; (1) medium duty truck, and a trailer mounted Liquefied Petroleum Gas (LPG) prover.
- Received \$300,000 to develop a Request for Proposal to redesign the Weights and Measures licensing system.
- Approval of various facility improvements in the Sparks and Las Vegas offices.

Resource Protection:

- Due to Mark Jensen's persistence, the Department received additional funding for pay parity for a federal position that provides services to the state program.
- Received an inflationary increase for General Services Administration (GSA) vehicles used by state employees.

Division of Measurement Standards:

A. Legislative Update

Steve Grabski commended the Director, Don Henderson, for his tireless efforts during session. Steve said Don worked all hours, before session started in the morning and after session closed, talking with Senators and Assemblymen. Steve extended his thanks to Don for a job well done during session.

Steve told the Board that the alternative inspections policy plan that was implemented won't have true results until the next year. He said it appears to be going along well.

The one-shot funding the Division received will be used for (1) heavy duty truck and (1) medium duty truck and a propane prover. This will replace trucks that are junk and trucks that are parked because they are too costly to repair.

The Metrology laboratory will be upgraded with electronic balances. Some of the mechanical balances that we've had since 1971 will be used in the Las Vegas office for lower calibrations. Steve said he tried to get the Federal government to replace the balances, but that it didn't happen. The LPG prover is a pressurized vessel and it measures the propane that comes through the meter.

The approved Executive Budget did not contain building maintenance monies for the Las Vegas office phone system. Steve said he has \$6,700 this year and \$12,000 next year for Las Vegas and that will include paving the new section of the parking lot. Steve is working with Public Works to have the statewide paving program do the work while they are paving the Department of Employment, Training and Rehabilitation's, (DETR) parking lot which is adjacent to Agriculture. This would free up \$8,000. Steve said we have to talk to Mike Nolan to see if we can shift that maintenance money to the paving project. We have \$27,000 maintenance money for the Sparks building upgrades to be used over a two-year period.

Steve said the Division received \$430,000 for a Weights and Measures licensing and payment program. DoIT will oversee this project. The goal of the project is to fulfill the Department's technical strategy doing a technology plan for the entire department.

Steve said that the Board was well aware of the issue we've had with the 38th parallel. A Workshop and Hearing has been scheduled for July 7th at 10:00 in Las Vegas, in one of the airport's conference rooms. Steve encouraged anyone who can to attend these public meetings.

Division of Livestock Identification:

A. Activities Report

Jim Connelley distributed a copy of the Esmeralda Grand Jury investigation. Jim said the pertinent part in on the very back of the last page; one sentence that says no employee of the Department of Agriculture committed an indictable offense. There are some recommendations that the Grand Jury made; most of which we have already implemented or in the process of implementing. The passage of AB 407 will go a long way in taking care of many concerns.

Jim has written a letter to Director Bob Abbey of the BLM which will serve as 30 days notice to withdraw the Department's MOU that we have in place with them. We will be negotiating a new MOU this year.

The enforcement unit participated in a U. S. Department of Transportation 72-hour check site on U. S. 80 which is done annually. During this inspection, the Agriculture Enforcement Unit inspected 262 trucks, issued 8 citations, 10 verbal warnings, and 1 hold order on nursery stock. Jim said it was a very good exercise. Jim said our people were divided up to ensure all three shifts were covered at the check sites for the entire 72-hours.

B. 2005 Head Tax Status Report

Every year, pursuant to NRS 575, all livestock owners are given notice in May of the requirement to declare livestock owned during the previous year for the purpose of collecting a head tax. Jim said the Department has had an ongoing issue with Indian reservations. He said the Indian reservations utilize our services in that they have to have a health certificate and an inspection to move livestock from one nation to another. They use our services, but they don't want to pay the head tax because they are a sovereign nation. This has been ongoing for a number of years. The Department did reach a settlement with the Nevada tribes that any livestock that comes off the reservations will be assessed a one year head tax at the time a brand inspection is done.

C. Legislative Update:

1. AB 181 - Cash buyers licensing

AB 181 was a cash buyer's bill. Essentially the program that we had in place for many years was a producer's protection program. It was to stop out-of-state operators from coming into our state, giving a down payment on a load of hay, hauling it off to California or elsewhere and then not pay for the hay. This bill removes the requirement that a cash buyers and agents of cash buyers must obtain a license.

2. AB 407 Government impounds of livestock

AB 407 addresses federal impounds. This is not a department bill. It was brought forward by Assemblyman Carpenter. AB 407 in its original form was seven pages long and had been ruled unconstitutional by the Attorney General's office. Jim said he met with Assemblyman Carpenter and helped rewrite the bill. The original 7-page version was passed through Assembly in order to meet the deadline so the bill wouldn't die. Then the bill was totally amended and finally passed.

D. Beef check-off collections

Jim said the Department receives about \$24,000 in revenue by administering the collection of the beef check-off. The United States Supreme Court ruled that the beef check-off was constitutional. Therefore, it will be business as usual.

E. Elko Building and Move

Jim said Don Henderson and Steve Grabski have already discussed the new building and said he didn't have much to add. He requested that next year's spring Board meeting be held in Elko. A walk-thru and inspection is set for July 6th; the preliminary meeting with the architect is on July 13th; the final meeting with the architect is July 27th. It is already known that a fire suppressant sprinkler system needs to be put in and Public Works is already working on that. The other major retrofit is the state veterinarian's lab.

DIVISION OF PLANT INDUSTRY

A. Mormon Cricket Update

Jeff Knight gave his presentation on the Mormon Crickets program. The aerial spraying of Dimilin was terminated about two weeks ago. We treated approximately 490,000 acres were sprayed. The Department used two planes this season finding that to be what could be effectively managed.

Jeff said the ground baiting program is in full force right now. We have 12 – 14 seasonal people working on the program. Personnel are baiting with 5% carbaryl bait. Crickets are located from the California border to the Utah border, and north of Highway 50.

The Department of Agriculture has applied about 82,132 pounds of bait; a breakdown was provided on Jeff's handout.

B. Las Vegas Report

John O'Brien referred to Tom Smigel's report on the Las Vegas office and asked if there were any questions. There were none.

C. EPA 2nd Quarter Report

John O'Brien referred to Chuck Moses' report on the Department's EPA activities. No questions came from the Board.

D. Request to go to workshop and hearing in order to amend NAC 586 and NAC 588 to increase fees for the registration of pesticide and fertilizer products in Nevada.

John O'Brien advised the Board that this is an action item requesting to go to workshop and hearing to increase fees for the registration of pesticide and fertilizer products. Chris Mason prepared a one-page information sheet that is part of the packet that explains the reasons for the proposed fee increase.

John explained that due to the potential effect of SB 293 (adding weed control as an allowed expenditure), increased administrative costs, equipment costs and salaries, it has become necessary to increase registration fees for pesticide and fertilizer products. The weed increase portion would be approximately \$40.00. Ten dollars from this proposed fee increase will be used to fund a position that was previously held by former employees under a Forest Service grant.

George Botta made a motion to go to workshop and hearing on this proposal. Jim Johnson seconded the motion.

Doug Busselman asked how does this fit in with the Governor's position of no new fee increases? Don Henderson responded that he will have to talk to the Governor. Gina Session stated that if you statutory authority to set fees, you can do it by regulations. Gina said she thinks the Governor is referring to new statutes. This can be discussed at the workshop and hearing.

Chairman Romero called for a vote. Motion carried.

E. Request to go to workshop and hearing to make temporary regulations T-009-05 (tiered noxious weed list) and T-014004, (adds Rumex crispus to the Paradise Valley Weed District list) permanent.

Dan Hettrick made a motion to accept the request to go to workshop and hearing. Deloyd Satterthwaite seconded the motion. Chairman Romero called for vote. Motion carried.

F. Request to go to workshop and hearing to make temporary regulation T-019-04 permanent, Producer's Certificate, with possible amendments during workshop and hearing.

The temporary regulations limit the Department's role in issuing producer certificates and regulating their use at the point of sale.

Deloyd Satterthwaite made a motion to accept the request to go to workshop and hearing. Dave Cassinelli seconded the motion. Chairman called for a vote. Motion passed.

G. Request to go to workshop and hearing to make temporary regulation T-003-04 permanent.

John O'Brien said that a couple of meetings ago we went through the process, after discussions, on increasing our fees for analysis and testing of sample seed. A temporary fee increase was passed and this request is to go to workshop and hearing and make this temporary regulation permanent.

George Botta made a motion accept the request to go to workshop and hearing. The motion was seconded by Jim Johnson. Chairman Romero called for a vote. Motion carried.

DIVISION OF ANIMAL INDUSTRY:

A. Animal Disease Update

1. Bovine Tuberculosis

Dr. Thain said California was granted free status in April which eliminated a lot of test requirements back and forth. Board members may have angry producers contacting them, but the producer's signed an agreement that they would conduct herd tests on pasture to pasture movements from California. Many producers in this situation have not completed the required herd test. USDA feels it is unfair to those producers that did conduct a herd test. USDA will do an investigation and decide what the fine will be.

New Mexico applied for split status and was denied. They are reapplying. Michigan's split status remains the same.

2. West Nile Virus

Dr. Thain reported that we've tested over 50,000 mosquitoes for West Nile virus. He said Saint Louis Encephalitis was detected in two locations: Churchill and Lyon Counties. It is another mosquito borne encephalitis that does not affect horses, but does affect humans. He said this is not surprising, because the test methodology the lab is using is extremely sensitive.

3. BSE – Canadian import rule and National BSE surveillance

Dr. Thain reported that since June of last year, we've gone through 388,000 samples that tested negative for BSE. Of those numbers, three triggered inconclusive and all of those found negative were under the immunohistochemistry which was the old standard test protocol that the USDA put into place and everyone agreed to. Beginning last August, the Office of the Inspector General began an audit of the BSE program because of the huge amounts of money that was flowing into the surveillance program. There was more than \$70 million last year and probably looking at that same equivalent this year. During the audit, they reviewed quasi science, pseudo science similar to what the R-Calf lawsuit used. One of the consumer protection groups is pushing to use the western-blot technique for testing of all inconclusives. Unbeknown to almost everyone, the Inspector General's office, Secretary Johann's office and others, the western-blot was performed on

the two inconclusives from July and were to be negative. The one from November of last year was found to be weakly positive. There was a press announcement Friday evening about this weakly positive and without notification to anyone announced a positive BSE case. This was after a roundtable with Secretary Johann and the USDA in Minnesota on Thursday the day before at which time the USDA talked about what a great job they had done and that we didn't have BSE in the country.

Dr. Thain expressed the opinion that the U. S. has lost a lot of credibility and pseudo science is going to reign supreme here. What's going to happen with this weakly positive is we won't be able to truly find out if it was BSE or if it's another extremely rare, atypical, non-BSE disease.

Dr. Thain said this means international trade is going to have some long-term effects for at least the next two years with regards to opening more of our trade and that will amount to millions of dollars lost in the agricultural cattle industry.

As far as Nevada is concerned, we have had 700 samples tested as of 6/1/2005 with no inconclusives.

4. Johnes

We have continued funding from the USDA through June of next year. We tested two dairy herds this year and another scheduled for July.

5. Trichomonosis

Relative the disease of trichomonosis, Dr. Thain said that we've had multiple range areas with some problems. Right now we're doing outreach and encouraging voluntary testing. Dr. Thain has tried to tell everyone they need to get actively involved with the Nevada Cattlemen's Association or the Farm Bureau.

B. Nevada Premise Registration for Animal ID

Dr. Thain said we have 271 registered premises. We are currently running at 40-50% exception allocation. What that means is that we can't enter the information into the data base, stop and get a premise number. The system rejects it and says not a valid address in the national premise address system which is the U.S. Postal Database. At that point, we have to work with the producers to come up with GPS locations for accurate latitudes and longitudes. We then write/develop driving directions to the nearest federal or state highway. Directions need to be based on roads that USDA uses in the mapping program Atlas 2005. USDA said they are going to move from a federal system to a state system. This will make our job easier. At present, Holly writes the information all down in an e-mail and sends it to USDA NAIS help center and USDA transcribes it. They manually go through and approve each one.

When this program was put together, the original argument was that there was going to be a ½ to 1 ½ per cent exception registration in the database. This was based on everything in the Midwest, not what was realistically in the West. So they are trying to move forward and give authority to validate those GIS at the state level which will save Holly a tremendous amount of time figuring out how to drive from Point A to Point B.

There's been an announcement that competitive grants are available with applications due in July, 2005.

Dr. Thain said the only thing the NDOA will advance is the Bangs Vaccination Project. Right now we use an orange metal ear tag that goes in the ear with a unique identification number. It goes in the formula 88 V, then two alpha characters, then four numeric characters. That is what we have used for a long, long time.

The standards on the bottom are what that 15-digit number will be with the federal NAIS system; 840 = the United States and the next 12 digits are unique to each individual animal. There should be a RFID tag proposal; the project will target about 12 veterinarians who do about 90-95% of the Bangs vaccinations in the state of Nevada with developing software, the hardware, the readers to then be able to do this. This would be over a 4-year period of time. We will supplant all the metal tags with the new plastic tags for official calfhood vaccination. The producer has the added value from having a Bangs vaccination, not only is the animal vaccinated with Bangs, but they would also have RFID tags.

There is a drawback to all of this; tag retention. We have good tag retention with the metal ones, but we are still having problems. There is no way around the tag loss problem, but that is something we'll work on and try to evaluate how well they work. Another drawback is that in all likelihood you'll see RFID technology change over the next several years. Currently with the RFID electronic ear tag, you have to be within 6 inches to a foot with the reader. There is newer technology out called high frequency electronic identification which has the potential of reading from 50 feet to a 100 feet. The technology is not here yet; it's going to take awhile. We thought if we could validate this approach to begin with, it would set the ground work for future development.

C. Animal Disease and Food Safety Laboratory

The final step of the ADL remodel was completed in May. The former media preparation lab was transformed into the molecular diagnostic lab. Two additional Quantitative RT-PCR machines were purchased to facilitate high throughput and fast turn around of samples submitted for arbovirus testing. The ADL can now test up to 92 samples per day for both SLE and WNV within less than 24 hours between sample submission and result reporting. Tests for Western Equine Encephalitis (WEE) are conducted once or twice a week. Submissions for arbovirus testing are expected to be at least 5 times the volume this year as compared to last year.

Dr. Keith Forbes, Nevada's Johne's disease program coordinator, has initiated a surveillance program with participation from dairies both in the north and south of the state. Dr. Dan Crowell, in collaboration with NDOW personnel, will be organizing Nevada's Chronic Wasting Disease (CWD) surveillance for the 2005-2006 hunting season. Dr. Crowell will also assist in a collaborative project between NDOW and UNR in assessing population health in Nevada's mule deer.

D. Introduction of Sharon Gard, newly hired microbiologist.

Dr. Rink said the ADL was very fortunate to be able to hire Sharon Gard as a Microbiologist III. Sharon came to the ADL from the San Bernardino branch of the California Animal Health and Food Safety lab where she was the microbiology supervisor. Sharon holds degrees both in Laboratory Technology and Medical Microbiology.

E. Range Magazine article on Bighorn Sheep

Dr. Thain brought the Board's attention to an article in the packet entitled *The Beauty and the Beasts* featuring Dr. Anette Rink. Dr. Thain commented that although the article was cute, it will come back to haunt us. Where we need credibility is not with the producers where we have solid credibility (that is who the article is geared for), but we need credibility with our wildlife counterparts. We need to continue to work with UNR to get current research projects completed and published in peer reviewed journals.

Dr. Thain advised the Board that UNR's Dr. Glimp will be retiring in August and will continue part-time at the Rafter 7. He has done so much to advance range sheep genetics. UNR has not announced how or if it will fill the position.

F. Board discussion regarding Virginia Range Estray Horse Program

Dr. Thain told the Board that an issue came up last November with one of the wild horse groups wanting to know all the animals we adopted, individual names, addresses and telephone numbers. Don Henderson and I were really concerned about request for two reasons; (1) we didn't want to start down that path, and (2) the adoptor/adopting agency was very angry about it. At that time, we had a very broad confidentiality bill. The outcome of AB 32 at this point in time would be a stretch of the imagination to use to protect this kind of information. I don't think Gina (Session) would go along with it. So the question becomes, "what can we do as an agency and whether we should protect that information". If you were to go to the BLM under the Freedom of Information Act and requested this information, you would not get it.

The adoption agreement requires the adopting agency to submit a quarterly report of individuals, addresses and phone numbers of the people who have adopted. We could

change the adoption agreement to say the adopting agency must keep that information on file at their office for use upon request. Dr. Thain said that is about the only way to work around the situation.

Dr. Thain advised the Board they can have a discussion on this topic, but cannot take action per Gina Session, Senior Deputy Attorney General.

Presently under the Estray Horse Program, the Department requires doctors to provide a quarterly report on the status and location of the horse on the day of adoption out for a year. Instead of having those people give us that information we can request the adopting agent hold onto those records and make them available upon our demand.

DIVISION OF RESOURCE PROTECTION:

A. Plant Protection Quarantine

Mark Jensen asked if anyone had questions for the Division of Resource Protection. He reported that Don Henderson has gone over what the USDA-APHIS and the Department of Agriculture are looking at and Rick had gone over the Division's budget items. Mark told the Board members that the new USDA-APHIS building that the Board was having their meeting in that day runs two programs under one roof; Wildlife Services and Plant Protection Quarantine (PPQ).

Mark Jensen introduced Robert King, state director for PPQ. Robert told the Board that he runs PPQ program in both Utah and Nevada. His main cooperater in Nevada is the Department of Agriculture. One of the main programs that Robert works with is the grasshopper program. In the last couple of years, Nevada along with Idaho and Utah, received a \$.6 million grant through the USDA for grasshopper and cricket control.

PUBLIC COMMENTS:

Harvey Barnes presented a resolution to the Board as follows:

WHEREAS; Nevada's Joe Marvel will be inducted into the Professional Rodeo Cowboy Association Hall of Fame in Colorado Springs, Colorado on July 15, 2005.

WHEREAS;

Joe Marvel was the youngest professional bronc rider to win the National Finals Bronc Riding at age nineteen in 1976.

WHEREAS; Joe Marvel was the World Champion Bronc Rider in 1978 with his unique classic style and form.

THEREFORE; be it known that the Nevada Board of Agriculture and the Nevada Department of Agriculture congratulates, recognizes and honors Joe Marvel, a Nevada

rancher for his past achievements and induction into the Professional Rodeo Cowboy Hall of Fame.

Chairman Romero and the members of the Board are in support of this resolution. Gary McCuin suggested letters of recognition from the Board go out to UNR's Dr. Glimp for his work and achievements and to Bob Abbey who announced his retirement from BLM effective July 17, 2005.

DATE OF NEXT MEETING:

The next meeting has been set for September 29 and 30 in Reno. Board members are invited to take a tour of Animal Industry's lab on Thursday, September 29th. The Board meeting will be conducted on Friday, September 30, 2005.

Dave Cassinelli made a motion to adjourn the meeting. Deloyd Satterthwaite seconded the motion. Motion carried.

These proceedings were recorded. Anyone wishing to listen to them in their entirety should contact the Department of Agriculture, 350 Capitol Hill Avenue, Reno, Nevada

Don Henderson, Director

Staff in Attendance

Don Henderson
Sandie Foley
Gary McCuin
Jim Connelley
Dr. David Thain
Dr. Anette Rink
Dawn Rafferty
Rick Gimlin
Steve Grabski
John O'Brien
Gary Cross
Chris Mason
Wes Bills
Linda Mowatt
Richard Modee
Jeff Knight
Sharon Gard

Guests

Doug Busselman, Exec. Director, Farm Bureau
Jason Entsminger, Nevada FFA
Karen Grillo, NACO
Wanda Cox, DOiT
Mark Jensen, USDA-APHIS Wildlife Services
Mike Nolan, Dept. of Administration, Budget
Carolyn Tompkins, USDA
Frankie Cervantes, USDA